



Important Law Changes Applicable to 2012 Candidate Committees

Public Act 11-48

Timing of Filings

Public Act 11-48 (The Act) requires that hand-delivered or mailed financial disclosure statements be **received by 5:00 p.m. on the deadline day** – therefore, ***having a statement postmarked on the deadline date is no longer sufficient*** if it is not received by the Commission's office by 5:00 p.m. on the deadline day. Committees using the Commission's Electronic Campaign Reporting Information System ("eCRIS") have until 11:59 p.m. on the due date to submit such statements.

Reporting Receipt of Organization Expenditures

Candidates who receive the benefit of organization expenditures made by Party Committees, Legislative Leadership or Legislative Caucus Committees no longer are required to report the receipt of these organization expenditures in Section M of the SEEC Form 30 – such reporting is now optional. However, Party Committees, Legislative Leadership or Legislative Caucus Committees who make organization expenditures (1) ***must still report*** such expenditures and (2) must still send a notice of the organization expenditure to the benefitting committees. The Commission will post a listing of the organization expenditures made on its website.

Changes to Certain Contribution Exemptions

1) Volunteer Services

Under existing law, volunteer services provided by individuals are not considered contributions. The Act clarifies that an individual volunteering his or her personal time is considered a volunteer if he or she is not receiving compensation for the services provided, regardless of whether the individual received compensation in the past or will receive compensation in the future.

2) Business Entity Discount

Under existing law, a business entity or other vendor may sell food and beverages to a candidate at a discount so long as the charge is not less than the cost to the vendor and the cumulative value of the discount does not exceed \$200 with respect to any single primary or election. The Act increases this exemption from \$200 to **\$400**.

3) House Party Exemption

The Act modifies the house party provision considerably. Under the new provision, an individual or individuals hosting an event at his or her residential premises (or a community room in the individual's residential facility) may provide a candidate with the cost of invitations, food and beverages to the extent that:

- The cumulative value for any **single event hosted by an individual** on behalf of any candidate or committee does not exceed **\$400** with respect to any **primary or general election**; or
- The aggregate, cumulative value for **several events hosted by an individual** on behalf of any candidate or committee does not exceed **\$400** in total with respect to any primary or general election (or **\$800** total per election cycle with both a primary and general election); or
- The cumulative value for any **single event hosted by two or more individuals** on behalf of any candidate does not exceed **\$800** with respect to any primary or general election, provided at least one of the hosting individuals owns or resides at the residential premises.

Note that if the house party is NOT a fundraiser, individuals may also bring food or beverages to the event to the extent that the value of the food or beverage does not exceed \$50--this donation is not considered a contribution (discussed below).

4) Donations or Purchases at Fundraising Affairs (Nonparticipating candidates only)

Existing law allows individuals to donate to or purchase items at a fundraising affair without these donations or purchases being considered a contribution so long as they do not exceed \$50 in value. The Act increases this exemption from \$50 to **\$100**. In addition, treasurers are no longer required to itemize the names of individuals who *purchase* items at a fundraising affair on the SEEC Form 30 in Section J2 as long as the aggregate value of the items does not exceed \$100. However, treasurers *must continue to itemize donations for fundraisers* in Section J4.

5) Business Entity Donations (Nonparticipating candidates only)

Existing law allows business entities to donate its goods or services to a candidate for a fundraising affair without these donations being considered a contribution as long as they do not exceed \$100 in value. The Act increases this exemption from \$100 to **\$200** with respect to candidate committees.

6) De Minimis Campaign Activity

The Act clarifies that *de minimis* campaign activities exempted from the definition of contribution include:

- Receiving and sending, without compensation, e-mail or messages;
- Creation by volunteers of electronic or written communications, including ongoing content development and delivery of social media on the Internet or a phone.
- Use by someone of personal items customarily associated with occupying a residence or donation of personal property customarily used for campaign purposes to the extent that it does not exceed \$100 in value.

Note that although *de minimis* committee communications are not contributions they still require the committee's attribution.

7) Donation of Food or Beverage for a Non-Fundraiser

Existing law allows individuals to bring food or beverages to an event that is NOT a fundraising affair without these donations being considered a contribution so long as they do not exceed \$50 in value. Although the amount of this exemption did not increase, treasurers must no longer itemize the receipt of such food and beverage provided for a non-fundraiser as long as the aggregate value of the food and beverage does not exceed \$50.

8) Security Deposits

Existing law treats security deposits made by an individual for a committee's phone service as a non-contribution, provided he or she receives a refund. The Act extends this exemption to cover security deposits made by individuals to other utility companies.

Anonymous Contributions Prohibited

Under the old law, nonparticipating candidate committees could receive up to \$15 in anonymous contributions. Participating candidate committees could not receive anonymous contributions of any amount. **The Act prohibits the receipt of anonymous contributions of any amount to any committee** and requires treasurers to remit them to the SEEC for deposit in the General Fund.

Contributions from a Joint Checking Account

Under the old law, contributions written from a joint checking account were considered to be from the signer of the check or, if signed by more than one account holder, divided equally. Under the new law, if account holders do not wish the check to be divided equally, they may submit a signed written statement (e.g. a certification card) with the check indicating how the contribution should be allocated differently.

Qualifying Contributions (Participating candidates only)

- Contributions from individuals who are under 12 years of age are deemed non-qualifying.
- Contributions from an individual's sole proprietorship account may now be considered qualifying, as long as that individual contributes no more than \$100 from any account.

Weekly Supplemental Filings (all candidate committees in races in which there is at least one participating candidate)

The Act created a new weekly filing requirement for races in which there is at least one participating candidate. These weekly filings replace the 90% supplemental statements required in 2008 and 2010 for such races.

Under the new law, for races where there is at least one participating candidates, there are now weekly supplemental statements due on the Thursdays leading up to the primary (if applicable) and the general election. **Committees that complete these reports are not required to complete the Seventh Day Preceding the Primary or the Seventh Day Preceding the Election statements.**

Seventh Day Preceding the Election Filings (Only candidate committees in races in which there are *no* participating candidates)

The Act changed the applicable reporting period for the Seventh Day Preceding Primary (if applicable) or Seventh Day Preceding Election Filings. Under the old law, the ending date for the reporting period was the seventh day preceding the filing deadline. This ending date has been extended and is now the **second day preceding the filing deadline**. So, for example, if the filing deadline falls on October 28th, under the old law the report would include all transactions through October 21st and under the new law the report will include all transactions through October 26th.

Excess Expenditure Filings (Participating candidates only)

Participating candidates who have received public grant funds from the Program are prohibited from incurring or making expenditures in excess of their expenditure limit. Nonetheless, should the candidate committee of a participating candidate make an excess expenditure the committee must file a Declaration of Excess expenditures within 48 or 24 hours depending on how close to the election the expenditure is made. The Act eliminated this filing requirement for nonparticipating candidates.

Surplus Distributions and Post-Election Expenditures

Surplus. Under existing law, candidate committees must distribute surplus funds after the election and terminate within seven days of that distribution. The Act extends the distribution deadlines from January 31st to March 31st following an election held in November, unless a candidate is subject to a post-election audit by the Commission. For such candidates, the Act extends the distribution deadline to June 30th.

Audit Expenditures. The Act permits candidates to use funds after an election or unsuccessful primary to comply with an SEEC audit.

“Thank You” Parties. The Act authorizes candidates participating in the Citizens’ Election Program to host a post election meal for committee workers provided that the meal is held no later than 14 days after the primary or election and the cost is limited to \$30 per worker.

Post-Election Treasurer Payment. The Act authorizes participating candidates to make a post-election payment of up to \$1,000 to their campaign treasurer for services rendered.